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TELECOPIED AND MAILED  
(Fax no.: 602-352-2490)

December 8, 2003

Jean Gray  
Assistant Regional Manager for Power Marketing  
Desert Southwest Customer Service Region  
Western Area Power Administration  
P.O. Box 6457  
Phoenix, Arizona 85005-6457

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Date	Initial	Code
DEC - 9 2003		
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Re: Draft amendment to the Parker-Davis Firm Electric Service  
Contract extending the contract under the Power Marketing  
Initiative of Western's EPAMP regulations

Dear Jean:

Your website now contains a goodly number of comments from Parker-Davis contractors providing suggestions and comments on the draft contract amendment that you have circulated. I am especially pleased to note the hard work you and your staff have put in with the Colorado River Commission of Nevada in working on specific language changes to specific sections of the draft contract amendment. CRC's November 21, 2003 letter contained a number of helpful suggestions which I am given to understand are the outgrowth of these dialogues with you and your staff. I believe these changes respond to many of the questions, especially about advance funding and how it will work, and will be very helpful adjustments to this form of contract amendment.

It is my understanding that, after the comment period closes today, you will prepare a new version of the draft contract amendment, based on the comments that you have received, and circulate that for comment again to the contractors. It is my understanding that we will also have another meeting with you to go over things and ask questions and suggest further refinements. I believe that will be very helpful and is actually the fastest way to get us to a document we can all support.

Jean Gray  
December 8, 2003  
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When we do meet again, or perhaps in your next draft, I would like to see further consideration of the issue of excess energy. I know you and the agency do not like the concept of right-of-first-refusal. However, I think it would be appropriate to consider some expression of Western's willingness to exert its best efforts to make excess energy available to contractors.

It is my recollection from our last discussion that Western's target date for completion of this contract amendment process is May 2004. With the progress we have made recently, I feel very comfortable working toward that date. If we continue to make the progress we have been making, I see no reason why the public processes that your contractors have to complete for approval of a contract amendment cannot be done in a timely fashion within your target timeframe.

Again, thank you for all the hard work. I look forward to seeing the next draft and continuing to make progress.

Sincerely,  
ROBERT S. LYNCH & ASSOCIATES

A handwritten signature in dark ink, appearing to be 'RSL', written over a horizontal line.

Robert S. Lynch

RSL:psr

cc: IEDA Presidents/Chairmen and Managers  
Robert Walker, City of Needles  
George M. Caan, Colorado River Commission of Nevada  
Frank Barbera, Imperial Irrigation District  
Orlando B. Foote, Esq.  
Glenn O. Steiger, P.E., General Manager, IID Energy  
Charles Reinhold, Electric Resource Strategies